

# STATE ACCOMMODATIONS TAX

By a 1984 act of the General Assembly, a 2% tax is imposed on all accommodations in the State of South Carolina. These monies are collected by the State and distributed to counties and municipalities. The proceeds must be spent for tourism promotion and tourism-related expenditures. Projects are reviewed by an Accommodations Tax Advisory Committee.

State law provides that (a) the first \$25,000 must be allocated to the City's General Fund for general purpose use; (b) 5% of the balance must also be allocated to the City's General Fund; (c) 30% of the balance must be allocated for the purpose of advertising and promotion of tourism; and (d) the remaining balance must be used for tourism-related expenditures.

The City Council adopted a Grant-In-Aid Policy that stipulates the establishment of a City Council reserve for unanticipated events, festivals, and other opportunities. This budget includes \$50,000 for the Council's contingency.

STATE ACCOMMODATIONS TAX				
	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,049,375	1,240,425	1,250,000	1,330,000
Interest	793	532	200	500
<b>TOTAL REVENUES</b>	<b>1,050,168</b>	<b>1,240,957</b>	<b>1,250,200</b>	<b>1,330,500</b>
<b>EXPENDITURES / TRANSFERS OUT</b>				
Operating Expenditures	202	202	0	0
Transfer to General Fund	235,692	247,417	236,250	240,250
Transfer to Hospitality Tax Fund	50,000	50,000	50,000	50,000
City Council Reserve - Grant-In-Aid Policy	19,000	20,000	50,000	50,000
Tourism Promotions - CVB	307,312	364,627	367,500	391,500
Tourism Projects	437,370	513,700	601,250	578,750
<b>TOTAL EXPENDITURES</b>	<b>1,049,576</b>	<b>1,195,946</b>	<b>1,305,000</b>	<b>1,310,500</b>
Excess (deficiency) of revenues over expenditures	592	45,011	(54,800)	20,000
Fund balance, beginning of year	93,065	93,657	138,668	83,868
Fund balance, end of year	\$ 93,657	138,668	83,868	103,868

## FY 2012-13 BUDGET HIGHLIGHTS

The State Accommodations Tax budget reflects:

- The annual transfer of \$50,000 to the Hospitality Tax Fund to help support the 2004 Certificate of Participation (COPs) debt service.
- \$150,000 is transferred to the General Fund for the Arena District Payment for the Bi-Lo Center, year 16 of 20.

*(STATE ACCOMMODATIONS TAX CONTINUED)*

## FY 2012-13 ALLOCATION OF STATE ACCOMMODATIONS TAX REVENUES

Total Revenues	\$1,330,000
First \$25,000 to General Fund	<u>(\$25,000)</u>
	\$1,305,000
5% of Balance to General Fund	(\$65,250)
30% to Tourism Promotion	<u>(\$391,500)</u>
Subtotal	\$848,250
Set Aside - City Council Reserve	(\$50,000)
Contribution to TD Convention Center Debt Service	(\$50,000)
Arena District Payment - Transfer to General Fund	<u>(\$150,000)</u>
Current Revenues Available for Tourism Expenditures	<u><u>\$598,250</u></u>

## DISBURSEMENT OF FUNDING (TOURISM-RELATED EXPENDITURES)

	FY 11/12 <u>Budget</u>	FY 12/13 <u>Budget</u>
Greenville CVB	\$250,000	\$268,750
Metropolitan Arts Council	191,250	200,000
Transportation Museum of the World - Miniature World of Trains	0	10,000
Euphoria	25,000	25,000
Artisphere	25,000	25,000
Scottish Games	10,000	10,000
Downtown Brochures, Kiosks, and Maps	20,000	10,000
Notus Sports - Paracycling	0	10,000
Upstate Visual Arts	10,000	0
American Legion Post 3 War Museum	5,000	0
Black Expo	0	5,000
BMW Charity Pro-Am	5,000	10,000
Greenville Chautauqua Society	5,000	5,000
InnoMobility 2011	25,000	0
Medalist Sports	25,000	0
Children's Museum of the Upstate	5,000	0
TOTAL	<u><u>\$601,250</u></u>	<u><u>\$578,750</u></u>

## CHANGE IN FUND BALANCE

The projected increase in fund balance from \$83,868 to \$103,868, or 23.8%, is attributable to building fund balance for future tourism projects and programs.